

**TESTIMONY OF MAYOR RICHARD M. DALEY, CITY OF CHICAGO**  
**March 21, 2002**

**U.S. Senate Committee on Commerce, Science, and Transportation Hearing on  
Modernizing O'Hare International Airport and Expanding  
Airport Capacity in the Chicago, Illinois Area**

Mr. Chairman and Members of the Committee, thank you for the opportunity to appear before this Committee and testify in support of legislation that will enable the modernization of O'Hare International Airport and the expansion of aviation capacity to meet the needs of the Chicago region, Illinois and the nation.

Before I begin, I would like to express on behalf of the people of the City of Chicago our tremendous respect and appreciation for all the great work of this Committee in addressing critical infrastructure needs. Whether it has been passage of the landmark Passenger Facility Charge (PFC) legislation in 1990 or increasing the PFC and fully funding the Airport Improvement Program (AIP) in 2000, Members of this Committee consistently have been strong bipartisan supporters of airports and a robust, competitive national aviation system. Indeed, this Committee's commitment to improvements in our nation's transportation infrastructure insures that the lifeblood of our nation's economy flows freely, and for that you deserve our nation's gratitude.

Whether by boat, train, truck, or plane, Chicago has always been at the center of our national transportation system. The City of Chicago is the owner-operator of O'Hare and Midway International Airports. O'Hare is the world's busiest airport, and Midway remains one of the fastest growing airports in the country.

Prior to the tragic events of September 11<sup>th</sup>, the aviation congestion crisis was the single greatest transportation problem confronting our nation, and Chicago was again at the center. This Committee led the charge in finding solutions to aviation delays and congestion by holding a field hearing in Chicago on June 15, 2001. I am here today because members of this Committee and others in Congress asked Governor Ryan and me to solve O'Hare's delay and congestion problem, which was tying up the nation. We know, as you do, such a solution is uniquely necessary and uniquely important.

O'Hare truly serves the nation. Despite the aftermath of September 11<sup>th</sup>, O'Hare handled more flights in 2001 than at any other time in its history and regained the title of World's Busiest Airport. Last year, more than 67 million passengers passed through O'Hare on 911,917 flights. O'Hare averages more than 2,500 commercial flights each day to 174 non-stop markets, provided by 45 different passenger airlines, as well as cargo flights by 19 different cargo carriers. We offer non-stop flights to 47 of the 50 states - - serving more destinations than any other airport in the nation. More than half of those passengers depend on O'Hare to connect

between flights.

We in Chicago share travelers' frustration with airport delays around the country and, perhaps most particularly, at O'Hare. As recently as 2000, one in four flights in the U.S. was delayed or cancelled - - an unacceptable statistic. The frustration of passengers, including many Members of Congress who connect through O'Hare, was understandable. Furthermore, delays cost money.

In 2000, O'Hare had 908,977 operations, and 57,545 delays, or 63.3 delays per 1,000 operations. Flights at O'Hare had an average delay of 7.60 minutes per operation, which translates into a daily delay cost of \$480,084 and an annual delay cost of \$166,446,704 to the airlines (based on an average operation cost of \$25.17 per minute of delay for the nationwide fleet). Travelers across the nation experience untold lost time, aggravation, and inconvenience.

Last year, at the urging of this Committee, the FAA issued its Aviation Capacity Benchmark Report. It documented that O'Hare's current scheduled traffic meets or exceeds good-weather capacity 3.5 hours of the day and exceeds bad-weather capacity 8 hours of the day. The FAA identified O'Hare - - unfortunately the nation's third most delayed airport - - as one of the choke points in the national aviation system. As FAA Administrator Garvey has observed many times, and you no doubt know from your own experience, delays at O'Hare ripple throughout the entire aviation system. However, unlike some of the nation's delay-plagued airports, O'Hare has the physical space to modernize its airfield and provide needed aviation capacity for decades to come.

Congress has held several hearings searching for a solution. These hearings provided ample evidence of national frustration with O'Hare congestion. Last year at this time, Members of this Committee and several other Senators demanded that Illinois and Chicago agree to a solution or face a solution imposed by Congress.

O'Hare's antiquated runway layout is the primary cause of flight delays. O'Hare struggles with an old-fashioned, inefficient airfield design. O'Hare's seven-runway, intersecting airfield configuration is consistently cited in the FAA Monthly Summary of Air Traffic Activity and Delays in the National Airspace System as a primary cause of delays reported in the Runway Delay category. O'Hare's runway geometry, while modern in the propeller age, is now out-of-date in the jet age.

In contrast, Atlanta's Hartsfield Airport, with half the acreage and just over half the runways (4 instead of 7), handles approximately the same number of operations as O'Hare with fewer delays. Modern runway design uses parallel approaches in instrument flight rule conditions. With parallel runways, O'Hare would be far more efficient. The whole national air transportation system would benefit.

We need to modernize O'Hare's airfield. We will dramatically reduce delay and congestion by

building one new runway and relocating three existing runways. We will have 6 parallel runways, similar to the efficient runway systems in Atlanta and Dallas/Fort Worth. Like DFW, we will also have two crosswind runways. This modern airfield will reduce bad weather delays by 95%, and overall delays by 79%. It will be phased in, with each step bringing demonstrable reductions to O'Hare congestion.

As Congress demanded, the Governor and I have come to an agreement on how best to modernize O'Hare. But we cannot do it alone. We can solve the problem Congress wants solved. That is why we are here today.

We need your help to memorialize the agreement between the City of Chicago and the State of Illinois that will enable O'Hare modernization, facilitate construction of an airport in Peotone, keep Meigs Field open, create a western airport entrance to O'Hare, and provide noise mitigation in communities neighboring O'Hare. Our local agreement, reached at Congress's insistence, is a balanced approach achieved through compromise. Federal legislation is required to protect this agreement and provide some certainty to the people of Illinois, the traveling public, O'Hare's passenger and cargo airlines, and many others who will rely on our agreement. This legislation will end a decades-long impasse.

The legislation will protect our plan to provide congestion relief for the over 100 million passengers who will travel through O'Hare annually in future years. It will secure O'Hare modernization, which in turn will create 195,000 new jobs and produce an additional \$18 billion in economic activity each year. O'Hare is central to the economy of Northeastern Illinois and Northwestern Indiana, generating approximately \$35 billion in economic activity annually and producing more than 400,000 jobs.

Congressional action will ensure that this nationally important project cannot be subject to cancellation by a new state administration. Governor Ryan and I agree on this congestion relief plan. However, any of his successors can tear up this agreement, renew the stalemate and thereby keep the region and the nation mired in airport congestion and delay.

Illinois is one of a number of states that provides some degree of airport approval power to State Executive authority. Even though O'Hare does not receive any state money, governors have claimed the power to deny O'Hare runway improvements. Of the most delayed airports in the country, only a handful are in states with executive approval power over runway construction. Of those, only O'Hare has been prevented from implementing a runway plan because of state opposition. O'Hare is truly in a unique situation.

The Governor and I agree that the State should play an important role as we solve airport capacity problems in our region. With or without the proposed legislation, both the O'Hare and Peotone projects will be subject to State regulation under environmental and other laws. We both expect those laws to be fairly administered in good faith. However, for twenty years Illinois governors vowed absolutely to stop any relief of O'Hare delays, regardless of the cost to

the State and the nation. They based their threat on a single State law that focuses on aviation safety. We are confident our projects would survive a fair review. But two decades of governors have made it clear that O'Hare improvements will not get a fair review. Governor Ryan's administration and mine have invested a great deal of time, money and effort to realize these projects developed at the urging of Members of this Committee and in Congress. Without this legislation, future governors can arbitrarily undo the progress we have made without hope of a solution.

O'Hare users, airlines and the federal government should be able to count on the State's commitment. Contracts will be let, bonds sold, people hired, all assuming that we can finish what we start. These investments should not be put in jeopardy.

Let me further explain the legislation and the O'Hare modernization plan.

First, under this legislation the modernized O'Hare will be safe. The FAA must follow its customary procedures and apply its safety standards. It must determine that the O'Hare plan is safe before approving it.

Second, this legislation does not change the rules for federal funding. O'Hare projects get no preference from this bill. AIP grants will follow the usual rules. The project will be funded through airline-backed bonds and PFC revenues, with less than 10% coming from AIP grants. Half of the AIP funding will be entitlement funds that O'Hare would customarily receive and we envision that the other half will be discretionary funds, for which the City must compete with every other eligible airport for in accordance with congressionally directed procedures. No local or state tax dollars will be used on the O'Hare project.

Third, our proposal does not change or evade environmental laws or standards. It does not change the Clean Air Act or air quality standards. It only requires that the State act in good faith when enforcing air quality rules. This bill prevents the State from misusing those rules to stop O'Hare development. We are confident the O'Hare and Peotone projects will fit comfortably within the rules. We need the protection of this bill to insure that a future governor does not change those rules in order to interfere with the projects.

Fourth, this legislation and the project it enables provide significant noise relief for O'Hare neighbors. Noise impacts under the proposed plan should be less than O'Hare noise impacts in 2000. If not, the legislation gives the FAA Administrator broad power to enforce a noise cap. Chicago's cooperative efforts to minimize noise impacts in the communities neighboring O'Hare will be continued under this legislation by broadening our existing sound insulation program. Through 2001, Chicago has spent more than \$130 million insulating over 3,900 homes and over \$190 million on schools. Aircraft noise will be all but eliminated in many communities neighboring O'Hare when the plan is completed because of the new runway alignment.

Fifth, western roadway access to O'Hare will at long last become a reality. There is no other

way to achieve this long-needed project except through our plan. That second door to the airport will bring better access, road congestion relief and economic development opportunities to communities in DuPage County and farther west. Those airport-related developments will increase tax revenue for schools, parks and other city services. Better access to O'Hare will relieve jammed roadways, reduce emissions and enhance the quality of life for airport neighbors.

This agreed upon O'Hare plan is a package. The delay reduction and capacity enhancements, as well as the job creation and economic activity are made possible by the development of the entire plan. For example, western roadway access to the airport requires the closure of an existing runway, which in turn requires the building of all the east/west runways including the southern-most. And, in order to expand the sound insulation program and reduce the noise impacts, the modernization needs to be implemented in its entirety. All the benefits of this agreement are only realized by the completion of all the elements of this agreement.

Modernization of O'Hare will enhance competition in the Chicago aviation market. Chicago already benefits from competition between its two hub airlines. With the proposed plan, O'Hare capacity would grow. Competition cannot thrive in a constrained airport.

Access to small- and medium-sized communities would also be enhanced. O'Hare serves as a gateway to international markets for many cities without international service benefiting travelers throughout the United States. Increased capacity at O'Hare allows communities throughout the U.S. additional access to the worldwide hub networks of the nation's two largest air carriers and greater service to destinations throughout the world.

Noise relief, western access and better air travel go along way toward explaining why there is widespread and growing support for the modernization of O'Hare. Keeping O'Hare competitive insures the vitality and future of these neighboring communities and they know it.

Few issues are supported by the City, State and most suburbs; by business and labor, community and religious organizations; by airlines and airports, and countless industries dependent on efficient air transportation, such as shipping and freight-forwarding, conventions and tourism. The Chicago City Council and more than three dozen surrounding communities have expressed support for our agreement through their Mayors, Village Presidents or City Councils. African-American, Hispanic, Asian, and women organizations and contractors have all loudly voiced their support.

Our agreement has earned the strong endorsement of national organizations as diverse as the AFL-CIO and the U.S. Chamber of Commerce. The aviation industry is also in agreement. Air traffic controllers, the airlines represented by the Air Transport Association, and airports represented by Airports Council International-North America and the American Association of Airport Executives, as well as the Aircraft Owners and Pilots Association all have expressed their support for this legislation and modernizing O'Hare.

Here in Congress, the legislation already enjoys significant support with nearly 100 co-sponsors in the House and 23 in the Senate. The Governor and I have met individually with Members of this Committee and of the Senate, Members of the House and the Administration. In recent weeks, nearly 70 people representing all of these groups have come to Washington, D.C. and met with more than 50 members of Congress to advocate their support and seek co-sponsorship for this legislation.

Opposition to this legislation and the O'Hare project does exist; however, the focus and area of concern is narrow. Much of the opposition centers on the need to relocate homes and businesses near the airport. This is a challenge faced by every transportation or infrastructure project undertaken. Homes and businesses will be relocated in strict accordance with federal procedures, in an open and public way to insure fair and equitable compensation. Communities neighboring the airport will most directly benefit from the hundreds of thousands of new jobs, billions of dollars in additional annual economic activity, and infrastructure improvements associated with O'Hare's modernization.

From an economic stimulus perspective, can any other project provide as much benefit to the nation for such a small price? As I have noted, this legislation does not obligate or secure funds for O'Hare and the anticipated federal discretionary portion of the O'Hare project will be sought following customary congressional approvals and reviews. It may well be worth pointing out, should Congress choose to approve \$300 million over the life of this project, it will in turn create 195,000 new jobs and generate an additional \$18 billion in annual economic activity. I am not aware of any other proposal being discussed or debated that would provide such a dramatic return on investment.

Finally, I want to say something about the importance of making a clear statement about the bright future of aviation. This project will tell the traveling public, the nation and the world that Congress and the President have confidence in the future of commercial aviation. The tragic events of September 11<sup>th</sup> will not deter America. No single industry was harder hit than aviation. No other development project could send a stronger message. Governor Ryan and I have done what you asked us to do to move this project and this nation forward. We need you help to make our agreement secure.